



Implementing the North End Urban Renewal Plan

Presentation to the Common
Council

December 15th, 2004



Outline

- Existing Conditions
- Historical Perspective
- Developer / Proposed Plan
- Financial Plan
- Benefits of this Plan
- Question and Answer

Existing Conditions



1-Dec-11

MIDDLETOWN PLANNING DEPARTMENT



Historical Perspective

- 1.) 1988 – 1992 North end Urban Renewal Plan
- 2.) Neighborhood Opposition
- 3.) 1992 Failed Referendum
- 4.) 1996 Fatal Shooting of 16 yo at corner of Ferry and deKoven
- 5.) 1996 Urban Homesteading Committee Created
- 6.) 1997 Yale Planning Workshop – Housing Number #1 concern



- 1997 North End Action Team (NEAT) emerged as grass roots neighborhood advocacy group
- Redevelopment Agency became involved.
- Redevelopment agrees to allow NEAT Housing Committee to prepare plan amendments with staff support.
- 1999 Planning and Zoning Commission, Housing Authority and Redevelopment Agency approve “Activity Supplement”.



- Formal RFP to implement “Activity Supplement”
- Only one response received.
- North End Housing Initiative (NEHI)
- Collaboration between four (4) existing non – profits
- Two applications for Tax Credits
- NEHI failed to secure funding
- 2004 Redevelopment reopened the process and entertains proposals from The Connection (Broad Park), The Richman Group and The Housing Authority



- 2004 – Redevelopment Agency selected The Richman Group as preferred Developer
- Agency split but all agree to support Richman
- At NEAT's request and in order to preserve neighborhood support, Common Council selects Richman as multi family developer and Broad Park as homeownership developer.
- Redevelopment affirms Common Councils decision and enters into MOU's
- MOU's specifically include NEAT and mandates their participation.
- Richman and Broad Park agree that Richman will take lead and then Broad Park will step in.



Goal of North End Urban Renewal Plan

- create a mixed-income, mixed-use neighborhood,
- stabilizing the population,
- driving out criminal activity,
- improving the economic climate along Main Street, and
- increasing the likelihood that landlords with well-maintained properties in the North End will continue to keep them in good condition.
- The rehabilitated streets will serve as a model of what can be accomplished and an incentive to property-owners to upgrade their properties to meet the new neighborhood standards.



Existing



The Developer



- Developers of more than 70 major housing developments, 9000 units, total development cost in excess of \$1 billion.
- One top 20 privately-held apartment owners in the country
- Richman develops and continues to own their developments
- Richman has its own property management company
- References – Mayor Ester Veirheilig , Midland Park, NJ; Peter Smith Exec Dir, Yonkers Housing Authority; Mayor Dannel Malloy City of Stamford; Fred Tomkins Bergen County Improvement Authority; Sheila Martin, NYC Housing Partnership. ALL EXCELLENT
- Bank References – Sun Trust Bank, JP Morgan Chase, Citibank



Richman's Proposed Plan

- North side of Ferry Street.
- Largest Concentration of City Properties.
- Requires acquisition of seven (7) properties.
- Demolition of nine (9) structures and relocation of as many as 27 families.
- Ninety six (96) units in 6 structures, 4 stories.
- 80 % at 60% of median income (\$46,000) 20% at 25% of median income (\$18,000)
- Maximum rents for family of four in 2 bedroom unit - \$1108 and \$461



Existing



Proposed



Focus Areas for Homeownership / Rehab Loans





Building Footprints

Existing - 22,773 sq.ft.

Proposed – 32,400 sq.ft.

Lot Coverage

Existing – 47 %

Proposed – 38 %

Significant increase in available parking

Building Heights

Ground Elevations

Main Street – 64 ft.

Mid Block – 47 ft.

deKoven Dr. – 34 ft

Building Heights above sea level

Main Street 91 – 100 feet

Mid Block – 83 feet (proposed)

Mid Block – 74 feet (across street)

Last Building – 76 feet



Lower Density Option

- Some have argued single family homes on individual lots is the way to turn around the area
- This is contrary to what every city in the country is trying to do.
- Numerous studies, including Creating Great Neighborhoods: Density in Your Community, Relearning to Love Density, Myths and Facts About Affordable and High-Density Housing and Homes and Neighborhoods: Principles for Creating Quality Places , support high-density development.
- Density helps create walkable neighborhoods
- Density supports housing choice and affordability
- Density allows for expand transportation choices
- Density creates a sense of community
- Density helps improve security
- Density helps protect the environment.





Example

Using the same land area could yield 8 lots similar to Housing Authority homes on Church Street. Assuming 3000 sq.ft. duplexes.

Acquisition, demolition and relocation

$\$2 \text{ million} / 8 = \$250,000 \text{ per lot}$

Construction at $\$100 \text{ sq.f.t} = \$300,000$

$\$550,000$ for a 3000 sq.ft. duplex

Sale Price $\$150,000$ per duplex

After they were sold there would be a $\$1.2 \text{ million}$ gap

This type of construction is not eligible for tax credits or CDBG

Even if there was a market for high end homes, eight (8) wealthy families could not turn around the problems in the north end.

Financial Plan

**Economic Development helps pay for Community Development.
City needs to stimulate private development where there is none.
City has an obligation to help those less fortunate and those that
can't help themselves.**



| | |
|-------------------|----------------------|
| Home Depot | \$ 196,000.00 |
| Sanoma Woods | \$ 310,000.00 |
| Ferrizoli Imports | \$ 108,260.00 |
| Pegasus Mfg. | \$ 66,700.00 |
| Habisat ABT | \$128,000.00 |
| Remington Rand | \$ 90,000.00 |
| <u>Aerospace</u> | <u>\$ 210,000.00</u> |

TOTAL \$ 1,108,960.00 annually

Financial Plan

Proposed Budget for Acquisition, Relocation and Demolition

Prior to Tax Credit Application –

\$ 90,000.00 CDBG

\$ 210,000.00 CDBG Program Income

\$ 450,000.00 GO Bond

After Tax Credit Application

\$ 200,000.00 from Development budget

\$ 200,000.00 Oct. CDBG

\$ 850,000.00 Lease Financing

TOTAL \$ 2,000,000.00

Note: In the last 4 years the city has spent over
\$1 million in CDBG in the North End



Focus Areas for Homeownership / Rehab Loans





What needs to be done in other focus areas ?

- Support Broad Parks efforts
- Insist on more involvement from Wesleyan
- Dedicated policing – Private duty
- Video Surveillance
- U.S. & State's Attorney's Office Nuisance Abatement Units
- Target Down payment Assistance and Residential Rehab
- Landlord Assistance Association -Tenant screening
- Tenant education regarding budgeting & maintenance
- Bridge between NEAT & Landlord – Ombudsman

Benefits of Plan



- Over 20 years of studying the problem, no implementation
- Desperate need for investment (\$16 million)
- NEAT is getting very discouraged.
- Cleaning up Green St. Arts Center's back yard.
- Experienced property management.
- Density gives neighborhood a voice.
- Good activity has been proven to drive away bad behaviors.
- Provide for existing residents (20 units)



- Will provide affordable housing for artists and 20 something crowd.
- New residents can be upwardly mobile (76 units).
- Realistic financial plan and very experienced and well respected developer. Very good chance of funding.
- \$1.3 million investment results in \$14 million in additional investment, creation of decent affordable housing, hopefully spurs additional investment.
- A one time investment of \$13,500 per unit.
- Broad Park stands ready to start homeownership.
- More density = more people = more spending = more investment = more real and perceived security = a more vibrant downtown.

Question and Answer ?

